

Realty in a muddle

IN THE JAYPEE Infra Insolvency Saga, Sumant Batra presents a compelling narrative of the corporate insolvency case of Jaypee Infratech Limited (JIL), a giant Indian real estate and infrastructure enterprise, whose downfall became one of the most significant and complex insolvency proceedings in India's corporate history. Through the lens of the JIL insolvency case, Batra reflects on the evolution of India's insolvency regime and its real-world implications for various stakeholders.

At its core, the book is a beacon of hope and inspiration amidst adversity, ably steered by Anuj Jain, in his debut role as an insolvency professional under the just enacted Insolvency and Bankruptcy Code (IBC), 2016. The book's strength lies in Batra's ability to weave a human element into what could otherwise have been a dry legal account.

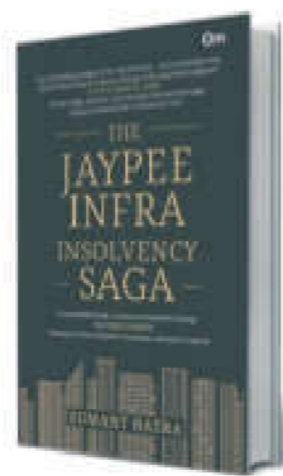
This transformation of an intricate corporate case into a gripping story of justice and endurance makes the book accessible to a wide range of readers, from legal professionals to the general public.

The book is structured into two parts. The first part focuses on the seven-year journey of JIL's insolvency process, starting with the insolvency petition filed by IDBI Bank in 2017. This part lays out the dramatic twists and turns, the struggles of homebuyers, and the high-stakes courtroom battles. The second part reviews the outcomes of the process, including the final approval of the resolution plan by Suraksha Group in 2023, and provides a retrospective analysis of the insolvency proceedings.

Batra dedicates the book to the thousands of homebuyers of JIL, who were left in limbo when the company was declared insolvent. Over 20,000 homebuyers, who had invested nearly ₹13,000 crore in JIL's residential projects, found themselves at the centre of a corporate and legal storm. The book captures their relentless battle to secure their homes, a struggle marked by protests, legal interventions, and a growing disillusionment with the Indian real estate sector.

One of the book's key strengths is its exploration of the legal and regulatory framework that governed the JIL insolvency. When JIL was declared insolvent

A landmark book capturing complexities & challenges of one of India's most significant insolvency cases



The Jaypee Infra Insolvency Saga

Sumant Batra

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by the National Company Law Tribunal (NCLT) in 2017, the IBC had only recently been operationalised. The Code was in its nascent stage, and its efficacy was untested. Batra highlights how the JIL case became a litmus test for the IBC and played a crucial role in shaping the Code's jurisprudence.

The narrative delves into the complexities of the insolvency process, including the role of various stakeholders such as the Committee of Creditors (CoC), the resolution professional, and the judiciary. The arrest of Anuj Jain by the Uttar Pradesh Police is one of the more dramatic episodes in the book, showcasing the turbulence and unpredictability of the process.

Equally captivating is the process of retrieval of property valued at ₹5,300 crore that was lost due to preferential and



A file image of Jaypee Infratech's Wish Town project in Noida. Sumant Batra dedicates the book to the thousands of homebuyers who were left in a limbo when the company was declared insolvent in 2017

EXPRESS PHOTO BY ABHINAV SAHA

fraudulent transactions, highlighting the complexities of corporate malfeasance and underscoring the robust financial scrutiny in the insolvency process.

Batra also reflects on the IBC's impact on corporate governance and the role of financial institutions in India. He points out how the insolvency process not only aimed to resolve the financial distress of JIL but also brought about significant policy changes. For example, the case led to amendments in the IBC, granting homebuyers a seat at the table alongside financial creditors, a move that was instrumental in ensuring that their interests were protected. It prompted rapid evolutions of the regulations, including class voting, and simultaneous

voting of rival resolution plans.

While the book is filled with technical legal details, what sets it apart is Batra's ability to humanise the corporate insolvency process. The real estate projects under JIL, especially the residential units, were not just commercial ventures but the hopes and dreams of thousands of middle-class Indians. These homebuyers had invested their life savings into the projects, only to find themselves in a precarious situation when the company defaulted. Batra masterfully brings out the emotional toll that the insolvency process took on these homebuyers. He portrays their relentless efforts to fight for their rights, their protests, and their eventual legal

victories. This focus on the human dimension adds depth to the book and makes it more than just a corporate saga—a gripping tale of resilience and hope, perseverance, and the transformative power of law, against the backdrop of India's evolving legal landscape.

The book also does a commendable job of explaining the intricacies of the JIL insolvency process. From the staggering debt of ₹9,738 crore owed to banks and financial institutions to the unpaid advances of ₹38.42 crore owed to depositors, the financial complexity of the case is laid bare. Batra walks the reader through the various legal battles, the formation of the CoC, the approval of resolution plans, and the final outcome. What makes this narrative even more compelling is the element of unpredictability. As Batra notes, the insolvency process was like "pushing a ship to sail into choppy waters without a rudder". The IBC was a new law, and there were no blueprints to guide the process. The legal battles were intense, and the stakes were high, with reputations and livelihoods on the line.

Despite the hurdles, the insolvency process culminated in the approval of the Suraksha Group's resolution plan in 2023, providing much-needed relief to homebuyers and other stakeholders. However, as Batra points out, litigation continued even after the approval of the plan, showing the lingering challenges in India's insolvency regime.

Batra played a key role in the process, serving as legal adviser to the IRP, which may have influenced the narrative, perhaps unconsciously. It remains to be seen whether his perspective will shift as the saga approaches its conclusion in the Supreme Court.

The Jaypee Infra Insolvency Saga is a landmark book that captures the complexities, challenges, and triumphs of one of India's most significant insolvency cases. Batra's expertise as a leading insolvency lawyer shines through, offering readers a front-row seat to the legal and financial intricacies of the JIL case. At the same time, his empathetic portrayal of the homebuyers' struggles and the human cost of corporate insolvency adds a layer of emotional depth to the book.

MS Sahoo is former chairperson of IBBI